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**Objection Deadline: October 3, 2008**

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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**In re:** : **Chapter 11**  
:   
**LEHMAN BROTHERS HOLDINGS INC.,** : **Case No. 08-13555 (JMP)**  
**et al.,** : **Jointly Administered**  
:   
**Debtors.** : **Re: Dkt. No. 107**  
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**OBJECTION TO CURE AMOUNT AND RESERVATION OF RIGHTS OF  
MARKIT GROUP LIMITED, MARKIT VALUATIONS LIMITED,  
SWAPSWIRE LIMITED AND MARKIT NORTH AMERICA INC.**

**TO: THE HONORABLE JAMES M. PECK,  
UNITED STATES BANKRUPTCY JUDGE**

Markit Group Limited, Markit Valuations Limited, SwapsWire Limited and Markit North America Inc.<sup>1</sup> (collectively, the “Markit Group Entities”), by their counsel, Proskauer Rose LLP, hereby submit their cure amount objection and reservation of rights (the “Cure Amount Objection”) with respect to the Notice of Assumption and Assignment of, and Amounts Necessary to Cure Defaults under, Contracts and Leases to be Assumed and Assigned to Successful Purchaser [Docket No. 107] filed by the above-captioned debtors and debtors in possession (collectively, the “Debtors”), in connection with the sale of certain of the Debtors’ assets to Barclays Capital Inc. (“Barclays”) and, in particular, the assumption and assignment of

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<sup>1</sup> Markit North America Inc. is the successor by merger to Communicator Inc.

certain executory contracts respecting the Markit Group Entities pursuant to Section 365 of the Bankruptcy Code (the “Cure Notice”).<sup>2</sup> In support of this Cure Amount Objection, the Markit Group Entities respectfully represent as follows:

### **Background**

1. The Markit Group Entities and their affiliates and the Debtors, Lehman Brothers, Inc. and their non-debtor affiliates are parties to various data service agreements, service agreements, licenses, and other agreements (collectively, as amended from time to time, together with any other amendments, addenda, supplements or related invoices, purchase orders, or other documents, the “Markit Group Contracts”).

### **Cure Amount Objection**

2. The Cure Notice directs contract parties to a designated website for a schedule (the “Contract Schedule”) that purports to list (i) those Closing Date Contracts that are to be assumed and assigned to Barclays as of the Closing Date, and (ii) the cure amounts that the Debtors assert are applicable with respect to such contracts. However, the Contract Schedule is materially deficient in that it is virtually impossible for the Markit Group Entities or this Court to determine which of the Markit Group Contracts are Closing Date Contracts that are to be assumed and assigned to Barclays as of the Closing Date. Further, as best as the Markit Group Entities can determine based on the limited information provided on the Contract Schedule, any cure amounts listed thereon in respect of the Markit Group Contracts are drastically understated.

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<sup>2</sup> Capitalized terms not defined in this Cure Amount Objection shall have the meanings ascribed to them in the Cure Notice.

3. Notwithstanding the lack of information provided on the Contract Schedule, to facilitate efforts to validly assume and assign to Barclays those of the Markit Group Contracts that are appropriately assumed and assigned (and subject to the reservation of rights set forth in paragraph 5 hereof), the Markit Group Entities have attempted to identify the entire universe of the Markit Group Contracts which the Debtors potentially may be wanting to assume and assign to Barclays, and to calculate the full cure amounts required to be paid to the Markit Group Entities as a condition to the Debtors' assumption and assignment thereof (to the extent that such assumption and assignment is permissible at all). Attached hereto as Exhibit "A" is a schedule containing a list of the Markit Group Contracts, together with the individual cure amounts applicable to each contract.<sup>3</sup> Attached hereto as Exhibit "B" are copies of all invoices evidencing these cure amounts.

4. To ensure compliance with the requirements of Section 365 of the Bankruptcy Code, to provide the Markit Group Entities with a full and fair opportunity to determine which specific Markit Group Contracts the Debtors are attempting to designate as Closing Date Contracts, and to ensure that the Markit Group Entities receive the full cure amounts due in respect thereof (to the extent they can be assigned at all), the Markit Group Entities request that, at a minimum, the Court require the following relief as a condition to the assumption and

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<sup>3</sup> It should be noted that certain of the Markit Group Contracts are between the Markit Group Entities and their affiliates and non-debtor affiliates of the Debtors. Thus, absent the Markit Group Entities' consent, these contracts may not be assumed by the Debtors or assigned to Barclays. Likewise, the December 3, 2002 Founding Customer Data Services Agreement between Mark-it Partners Limited (now known as Markit Group Limited) and Lehman Brothers, Inc. (the "Markit License"), and all associated addenda to the Markit License (the "Markit Addenda"), cannot be assumed or assigned without Markit Group Limited's consent, for the reasons set forth in Markit Group Limited's pending Motion to Clarify or Modify [Docket No. 433] (the "Motion to Clarify"). Nonetheless, out of an abundance of caution, the Markit Group Entities may have included these contracts on Exhibit "A". The inclusion of any such contracts on Exhibit "A" shall not be deemed a waiver of any of the Markit Group Entities' rights, claims, defenses and objections (including, without limitation, those articulated in the Motion to Clarify), all of which are expressly reserved.

assignment of any the Markit Group Contracts to Barclays: (i) that the Debtors be required to amend the Contract Schedule to clearly and conspicuously identify the specific Markit Group Contracts that the Debtors intend to be Closing Date Contracts (including those contracts that the Debtors have with affiliates of the Markit Group Entities), together with the Debtors' proposed cure amounts therefor on a contract-by-contract basis, and (ii) that a mechanism be established for the resolution of disputes relating to cure amounts. To that end, the Markit Group Entities are willing and available to enter into discussions with both the Debtors and/or Barclays to attempt to resolve any disputed cure amounts relative to the Markit Group Contracts, and to address any related issues and concerns of the Markit Group Entities. However, the Markit Group Entities respectfully submit that the Court should not authorize the assumption and assignment of any of the Markit Group Contracts to Barclays absent reasonable procedures that, at a minimum, (i) enable the Markit Group Entities to identify the specific Markit Group Contracts the Debtors are purporting to assume and assign to Barclays and to reconcile the cure amounts applicable thereto, and (ii) afford the Markit Group Entities a reasonable opportunity to have this Court resolve any disputes that otherwise cannot be resolved between the parties.

#### **Reservation of Rights**

5. The Markit Group Entities reserve their right to assert that certain of the Markit Group Contracts are terminable and not assignable pursuant to the terms and provisions thereof, applicable non-bankruptcy law, and Section 365(c)(1) of the Bankruptcy Code, including, without limitation, the Markit License and the Markit Addenda. The Markit Group Entities reserve all of their rights in connection with the matters set forth herein, including without limitation, the right to contest any purported assumption and assignment by the Debtors of any Markit Group Contracts that may be between the Markit Group Entities, their affiliates and non-

debtor affiliates of the Debtors. Moreover, the Markit Group Entities expressly reserve their right to amend, supplement or modify this Cure Amount Objection and the cure amounts listed on Exhibit "A" for any reason. The Markit Group Entities also adopt any additional arguments raised by other parties objecting to the Cure Notice to the extent not inconsistent with the arguments and positions of the Markit Group Entities and their affiliates.

**WHEREFORE**, the Markit Group Entities request that this Court grant the Markit Group Entities relief consistent with the issues raised in this Cure Amount Objection and that the Court grant the Markit Group Entities such other and further relief as is just and proper.

Dated: New York, New York  
October 2, 2008

Respectfully Submitted,

**PROSKAUER ROSE LLP**

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Attorneys for Markit Group Limited, Markit  
Valuations Limited, Swapswire Limited and Markit  
North America Inc.

## **EXHIBIT A**

Markit Group Entity	Lehman Entity	Contract Name	Cure Amount
Markit Group Limited	Lehman Brothers, Inc.	DSA	
		DSA Renewal Addendum	\$ 7,500.00
			\$ 82,500.00
			\$ 82,500.00
			\$ 82,500.00
		DSA Addendum – Indicative	
		DSA Extension	
		DSA Loans Addendum	\$ 46,059.38
			\$ 34,544.53
			\$ 34,544.53
			\$ 34,544.53
		DSA Data Addendum Sept 07	
		DSA Addendum Metrics 2005	
		DSA Addendum – Quarterly Metrics to Sept 07	\$ 14,721.00
		DSA Addendum Metrics 2008	\$ 59,691.55
		DSA RCD Single Name Addendum	\$105,000.00
			\$125,000.00
		DSA Red Addendum	
		DSA Red Renewal Addendum	\$ 18,750.00
			\$ 18,750.00
			\$ 21,250.00
			\$ 18,750.00
		DSA Portal Addendum	\$ 3,750.00
			\$ 7,500.00
			\$ 3,750.00
			\$ 3,750.00
		Trade Processing Master Terms and Conditions and Port Rec Order Form Jan 07	\$ 73,000.00
		Trade Processing Order Form 0207	
		Trade Processing Order Form 0507	
		Trade Processing Order Form 0607	\$ 22,500.00
			\$ 22,500.00
		Trade Processing Order Form Upgrade Addendum	\$200,000.00
		LCDX Trademark License	\$ 75,000.00
		ABX Trademark License	\$ 10,000.00
		MCDX Schedule	\$ 75,000.00
		CDX Notes	\$ 46,748.02

Markit Group Entity	Lehman Entity	Contract Name	Cure Amount
			\$ 41,812.19
Markit Valuations Limited	Lehman Brothers Japan, Inc. (formerly Lehman Brothers Finance S.A.)	Totem Market Valuation Service Agreement (Totem US) <sup>4</sup>	
		Base Metals Schedule	£ 1,352.50
			£ 1,487.50
			£ 1,742.50
			£ 1,862.50
			£ 1,862.51
			£ 1,952.50
			£ 1,896.23
			£ 1,952.50
		Commodities Schedule	£ 2,526.25
			£ 3,738.11
			£ 31,708.75
			£ 39,243.24
			£ 39,452.43
			£ 33,220.64
			£ 32,868.85
		Currency Option	£ 5,245.66
			£ 29,092.74
			£ 32,425.85
		Interest Rate	£ 5,822.07
			£ 4,973.08
			£ 6,082.25
			£ 6,065.65
		Metals Schedule	£ 387.50
			£ 468.75
			£ 512.50
			£ 725.00
			£ 830.00

<sup>4</sup> Lehman Brothers Inc. invoices are addressed to Image Processing Systems in the US.



Markit Group Entity	Lehman Entity	Contract Name	Cure Amount
		Equities Schedule	
		Totem Market Valuation Service Agreement	£ 676.36
			£ 1,216.40
			£ 563.82
			£ 314.01
			£ 246.19
			£ 499.96
			£ 491.43
			£ 304.80
			£ 944.02
			£ 501.69
			£ 493.76
			£ 570.56
			£ 927.87
			£ 636.39
			£ 1,153.00
			£ 2,379.56
			£ 2,447.23
			£ 2,585.92
			£ 2,295.48
			£ 2,706.00
			£ 2,406.33
			£ 2,757.63
			£ 4,464.01
			£ 6,167.31
			£ 4,814.63
			£ 2,977.52
			£ 2,994.30
			£ 3,292.87
			£ 3,179.53
			£ 2,518.67
			£ 3,253.24
			£ 4,040.62
			£ 4,007.82
			£ 3,996.86

Markit Group Entity	Lehman Entity	Contract Name	Cure Amount
	Lehman Brothers Limited	Totem Market Valuation Service Agreement (Totem UK) <sup>5</sup>	
		Credit Market Schedule	£ 14,739.20
			£ 15,048.22
		Equities	£ 19,220.38
			£ 3,493.34
			£ 3,465.41
			£ 17,557.88
			£ 3,543.36
			£ 17,511.05
			£ 3,755.25
		Interest Rate Schedule	£ 4,494.28
		Interest Rate Schedule	£ 5,584.12
		Property	£ 47.00
			£ 129.25
		FX Schedule	
SwapsWire Limited	Lehman Brothers Japan, Inc. (formerly Lehman Brothers Finance S.A.)	SwapsWire User Terms	
	Lehman Brothers Special Financing Inc.	SwapsWire User Terms	
	Lehman Brothers Special Financing Inc.	SwapsWire Fee Letter	
	(Lehman Brothers International (Europe))	SwapsWire User Terms	£205,328.06
			£169,881.25
			£ 20,596.15
	Lehman Brothers OTC Derivatives Inc	SwapsWire User Terms	
	Lehman Brothers Derivatives Products Inc.	SwapsWire User Terms	

<sup>5</sup> Lehman Brothers Limited invoices are addressed to Lehman Brothers International in the UK.

<b>Markit Group Entity</b>	<b>Lehman Entity</b>	<b>Contract Name</b>	<b>Cure Amount</b>
	Lehman Brothers Asset Management (Europe) Limited	SwapsWire End User Terms	
Markit North America Inc. (as successor by merger to Communicator Inc.)	Lehman Brothers, Inc.	Securities Hub Master Services Agreement	\$505,573.00
		SH Trademark Agreement	
		SH Software License Agreement	
		SH LLC Operating Agreement	
		SH Licenced Marks	
		SH Development of SVCS Agreement	
		SH Amend and Restated Conf Agreement	
Markit Equities Limited	Lehman Brothers Holdings, Inc	LBHI Equities Addendum 1.11.07	£ 72,628.00
		LBHI Equities Schedule 1.11.07	